Bulletin

No. A-07/09
Property & Casualty
– Auto

2010 Indexation Percentage under Bill 59/198 and 2010 Indexation Percentage and Revised Deductibles/Monetary Amounts under Bill 164

To the attention of all insurance companies licensed to transact automobile insurance in Ontario

The Financial Services Commission of Ontario (FSCO) is releasing the 2010 indexation percentage for the Optional Indexation Benefit under section 29 of the Statutory Accident Benefits Schedule – Accidents on or after November 1, 1996 (Bill 59/198). Also published are the 2010 indexation percentage and revised deductibles/monetary amounts applicable to claims under the Statutory Accident Benefits Schedule – Accidents after December 31, 1993 and before November 1, 1996 (Bill 164).

These amounts will appear in a forthcoming edition of The Ontario Gazette.

The indexation percentage for Bill 59/198 and Bill 164 claims reflects the year-over-year "Consumer Price Index for Canada (All Items)" from September 2008 to September 2009, as published by Statistics Canada.

Indexation under Bill 59/198

The 2010 indexation percentage is -0.9 per cent. It is applied in accordance with the "Optional Indexation Benefit Guideline" dated October 28, 1996. Under Bill 59/198, indexation applies to named insureds, spouses of named insureds, dependants of any of these and specified drivers, if the optional indexation benefit was purchased.

The 2010 indexation percentage applies to benefits that are required to be indexed pursuant to section 29 of the Statutory Accident Benefits Schedule (Bill 59/198) in respect of insured persons who were involved in accidents on or after November 1, 1996.

Indexation under Bill 164

The 2010 indexation percentage is -0.9 per cent. It applies to benefits that are required to be indexed pursuant to section 80 of the Statutory Accident Benefits Schedule (Bill 164), in respect of insured persons who were involved in accidents after December 31, 1993 and before November 1, 1996.

The 2010 indexation percentage, the revised deductibles and monetary amounts are listed on the enclosed chart, entitled 2010 Indexation Percentage, Revised Deductibles and Monetary Amounts for automobile Insurance under the Insurance Act and Statutory Accident Benefits Schedule – Accidents after December 31, 1993 and before November 1, 1996.

Please note that although the indexation percentage for 2010 has decreased by 0.9 per cent from 2009, in accordance with section 268 (1.5) of the Insurance Act, the amounts for benefits payable for 2010 will not be reduced. The amounts for 2010 will remain the same as the 2009 amounts, in compliance with section 268 (1.5). Section 268 (1.5) of the Insurance Act states: "A continuing periodic amount payable by an insurer in accordance with the SABS shall not be reduced by the operation of the indexation percentage referred to in subsection (1.4)."

The deductible amounts for non-pecuniary awards and Family Law Act tort awards for 2010 have been reduced to reflect the -0.9 per cent indexation percentage decrease from 2009.

Also note that certain indexed amounts under the Statutory Accident Benefits Schedule (Bill 164) have been identified in the indexation schedule as possibly no longer being relevant in certain cases. Please refer to the relevant provisions in the Statutory Accident Benefits Schedule (Bill 164) to determine if these indexed amounts apply to your situation.

Philip Howell
Chief Executive Officer and
Superintendent of Financial Services

December 9, 2009

Attachments:

- 2010 Indexation Percentage for Statutory Accident Benefits under the Statutory Accident Benefits Schedule – Accidents on or after November 1, 1996
- 2010 Indexation Percentage, Revised Deductibles and Monetary Amounts for Automobile Insurance under the Insurance Act and the Statutory Accident Benefits Schedule – Accidents After December 31, 1993 and Before November 1, 1996

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2010 Indexation Percentage for Statutory Accident Benefits under the Statutory Accident Benefits Schedule - Accidents on or after November 1, 1996

The 2010 indexation percentage is -0.9%. This indexation percentage should be applied to the amounts to be indexed on January 1, 2010, in accordance with the “Optional Indexation Benefit Guidelines”, dated October 28, 1996, for insured persons in respect of whom the optional indexation coverage was purchased and who had accidents that occurred after October 31, 1996.

2010 Indexation Percentage, Revised Deductibles and Monetary Amounts for Automobile Insurance under the Insurance Act and the Statutory Accident Benefits Schedule - Accidents After December 31, 1993 And Before November 1, 1996

INDEXATION PERCENTAGE			
Section reference in the Insurance Act	**Description**	**Amount 2009**	**Amount 2010**
268.1	indexation percentage	3.4%	-0.9%

DEDUCTIBLE AMOUNTS			
Section reference in the Insurance Act	**Description**	**Amount 2009**	**Amount 2010**
267.1(8)3	non-pecuniary loss deductible	$13,516.56	$13,394.91
	Family Law Act deductible	$6,758.29	$6,697.47

MONETARY AMOUNTS			
Section reference in the SABS	**Description**	**Amount 2009**	**Amount 2010***
10(9)	maximum weekly income replacement benefit **	$1,351.68	$1,351.68
15(5)	average Weekly Earnings for Ontario	$826.66	$826.66
16(1)(a)	lump sum benefit for each year of elementary school	$2,703.31	$2,703.31
16(1)(b)	lump sum benefit for each year of secondary school**	$5,406.62	$5,406.62
	lump sum benefit for each semester of secondary school**	$2,703.31	$2,703.31
16(1)(c)	lump sum benefit for each year of post-secondary school**	$10,813.27	$10,813.27
	lump sum benefit for each semester of post-secondary school**	$5,406.62	$5,406.62
18(5)	weekly caregiver benefit for first person	$337.90	$337.90
	weekly caregiver benefit for each additional person	$67.55	$67.55
28(4)	maximum weekly loss of earning capacity	$1,351.68	$1,351.68

MONETARY AMOUNTS			
Section reference in the SABS	**Description**	**Amount 2009**	**Amount 2010***
	benefit		
32(5)	maximum sum of weekly loss of earning capacity benefit and weekly supplement	$1,351.68	$1,351.68
46(1)	maximum limit on supplementary medical benefits and rehabilitation benefits**	$1,351,656.89	$1,351,656.89
47(4)	maximum monthly attendant care benefit (all insureds)	$4,054.98	$4,054.98
47(5)	maximum monthly attendant care benefit (catastrophic injuries)	$8,109.94	$8,109.94
47(6)	maximum monthly attendant care benefit (multiple, catastrophic injuries)	$13,516.56	$13,516.56
47(7)	maximum monthly attendant care benefit (severe brain injuries with violent behaviour)	$13,516.56	$13,516.56
50(10)	hourly rate for personal attendant care (when using Form 1)	$11.83	$11.83
	hourly rate for skilled attendant care (when using Form 1)	$18.91	$18.91
51(1)(b)	death benefit to spouse where insured would not have qualified for income replacement benefits	$67,582.83	$67,582.83
51(4)(a)	death benefit to dependant	$13,516.56	$13,516.56
51(4)(b)	death benefit to former spouse	$13,516.56	$13,516.56
51(5)	death benefit where insured was a dependent	$13,516.56	$13,516.56
51(8)	minimum death benefit to spouse	$67,582.83	$67,582.83
	maximum death benefit to spouse	$270,331.39	$270,331.39
52(2)	funeral benefit	$8,109.94	$8,109.94
54(4)	weekly dependant care expenses for first dependant	$101.36	$101.36
	weekly dependant care expenses for each additional dependant	$33.80	$33.80
54(5)	maximum for weekly dependant care expenses	$202.75	$202.75

*Please note that, although the indexation percentage for 2010 has decreased, in accordance with s. 268 (1.5) of the Insurance Act, the amounts for benefits payable will not be reduced for 2010. Section 268 (1.5) provides as follows: “A continuing periodic amount payable by an insurer in accordance with the SABS shall not be reduced by the operation of the indexation percentage referred to in subsection (1.4).”

**The Superintendent continues to index these amounts as required by law but some indexed amounts, as specified by an asterisk in the chart, may no longer be relevant in certain cases. Please refer to the specific provisions in the Bill 164 Statutory Accident and Benefits Schedule to determine if these indexed amounts apply to your situation.